



Department of Justice

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**GEORGIA COMPANY AND CHIEF EXECUTIVE CHARGED WITH
BID RIGGING ON WATER TREATMENT FACILITY PROJECT**

WASHINGTON, D.C. -- The Department of Justice today charged a Georgia company and its chief executive officer with conspiring to rig bids on sales of equipment for use in the Etowah River Water Treatment Facility Improvements Project for the Cherokee County Water and Sewerage Authority in Cherokee County, Georgia.

The one-count felony charge, filed in U.S. District Court in Atlanta, charges Eco-Tech Inc. and Herbert H. Timmerman, owner and president of the company at the time of the offense, along with unnamed co-conspirators, with participating in a conspiracy to suppress and eliminate competition by rigging bids in violation of the Sherman Act. The defendants participated in the conspiracy from July 1994 to December 1996.

According to the charges, the defendants and their co-conspirators arranged for a rival company not to bid on the equipment, that included industrial valves, filter equipment and other materials, in exchange for payment of \$5,000 through a bogus transaction.

"In order to provide water of the highest possible quality at the best possible price, the cities and counties of this country depend on the competitive bidding process," said Joel I. Klein, Assistant Attorney General in charge of the Antitrust Division. "By rigging the bids on equipment for the Etowah plant, the parties to this scheme picked the pockets of the taxpayers of Cherokee County, and such conduct will be prosecuted vigorously."

Today's charges are the first to arise out of an ongoing investigation of the water and wastewater treatment equipment industry being conducted jointly by the Justice Department's Antitrust Division, Atlanta Field Office, and the Federal Bureau of Investigation.

The maximum penalty for a corporation convicted of a violation of the Sherman Act is the greatest of a fine of \$10,000,000, twice the gross pecuniary gain derived from the crime, or twice the gross pecuniary loss caused to the victims of the crime.

The maximum penalty for an individual convicted of a violation of the Sherman Act is three years in prison and a fine equal to the greatest of \$350,000, twice the pecuniary gain derived from the crime, or twice the pecuniary loss suffered by the victims of the crime.

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